

Message Text

LIMITED OFFICIAL USE

PAGE 01 STOCKH 02370 060821Z

11

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 NEA-14 ISO-00 SSO-00 NSCE-00

INRE-00 AID-20 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00

RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03 CIEP-02 LAB-06

SIL-01 OMB-01 NSC-07 SS-20 STR-08 CEA-02 PA-04 PRS-01

USIE-00 DRC-01 /170 W

----- 044387

O R 060800Z JUN 74

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC IMMEDIATE 2112

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY NEW DELHI

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY TOKYO

LIMITED OFFICIAL USE STOCKHOLM 2370

E.O. 11652: N/A

TAGS: IN, SW, IBRD

SUBJECT: WORLD BANK PROPOSAL FOR INDIA DEBT RESCHEDULING

REF: STATE 114620

1. EMBASSY WOULD EXPECT GOS TO AGREE TO IBRD PROPOSAL,
IF NOT AT 45-PERCENT LEVEL, CERTAINLY AT SOME LOWER LEVEL.

2. BEFORE INDIAN NUCLEAR TEST, GOS MIGHT HAVE BEEN
PRODIGAL IN ITS WILLINGNESS TO ACCOMODATE INDIA, THE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STOCKH 02370 060821Z

LARGEST SINGLE RECIPIENT OF BILATERAL SWEDISH AID. NOW,

HOWEVER, SWEDEN MAY BE SOMEWHAT TOUGHER ON RESCHEDULING ISSUE THAN ITS LIBERAL WRITE OFF OF INDIAN DEBT SERVICE IN PAST. IN STATEMENT ISSUED MAY 20, PRIME MINISTER PALME SAID THAT TEST REPRESENTS "TERRIBLE MISUSE OF RESOURCES OF A POOR COUNTRY" AND "PUTS A STRAIN ON INTERNATIONAL DEVELOPMENT COLLABORATION". FOREIGN MINISTER SVEN ANDERSSON, ANSWERING PARLIAMENTARY QUESTION ON SUBJECT MAY 30 REPEATED SENTIMENT: "IT IS NATURAL THAT A GREAT PART OF THE WORLD INTERPRETS RECENT TESTS AS A SERIOUS MISUSE OF A POOR COUNTRY'S MANPOWER AND MATERIAL RESOURCES", HE SAID.

3. DESPITE GOS DISPLEASURE AT THE NUCLEAR TEST, EMBASSY WOULD EXPECT SWEDEN TO STICK TO ITS BASIC SUPPORT OF "PROGRESSIVE" INDIAN GOVERNMENT AND GO ALONG WITH FAIRLY LIBERAL RESCHEDULING. GOS IS EVEN PARTICIPATING IN RESCHEDULING OF CHILEAN DEBT DESPITE ITS UNREMITTING CRITICISM OF CHILEAN JUNTA NOW IN POWER. PARTICIPATION IS, AFTER ALL, MATTER OF SELF-INTEREST. IN RESPONSE TO ANOTHER PARLIAMENTARY QUESTION LAST MARCH, COMMERCE MINISTER KJELL-OLOF FELDT SAID THAT AIM OF CHILEAN DEBT-RESCHEDULING NEGOTIATIONS WAS "TO CREATE LONG-TERM GUARANTEES FOR REPAYMENT OF DEBTS TO LENDING COUNTRIES... SWEDEN'S BEHAVIOR IN THESE NEGOTIATIONS PROCEEDS FROM GOVERNMENT'S VIEW THAT THIS IS ONLY WAY OF EFFECTIVELY CONTROLLING THAT CHILE'S DEBTS TO US ARE PAID."

4. IN EARLIER DISCUSSION WITH EMBOFF OF QUESTION OF PAKISTAN/BANGLADESH DEBT RESETTLEMENT, MFA CHIEF OF BILATERAL AID, THORD PALMLUND REMARKED THAT GOS RECOGNIZES DEBT SERVICE TO BE A SERIOUS PROBLEM FOR LDC'S. AS A MATTER OF PRINCIPLE, HE SAID, IT SUPPORTS LONG-TERM RESCHEDULING OF DEBTS. CURRENT SWEDISH LEGISLATION GIVES GOS WIDE LATITUDE IN MATTER OF LONG-TERM RESCHEDULING. (STOCKHOLM 3769). STRAUSZ-HUPE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, DEBT REPAYMENTS, BANK CONSORTIUMS, NEGOTIATIONS, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STOCKH02370
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740143-1137
From: STOCKHOLM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740667/aaaacfzq.tel
Line Count: 96
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 114620
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 02 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 APR 2002 by izenbei0>; APPROVED <13 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: WORLD BANK PROPOSAL FOR INDIA DEBT RESCHEDULING
TAGS: EFIN, IN, SW, IBRD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005